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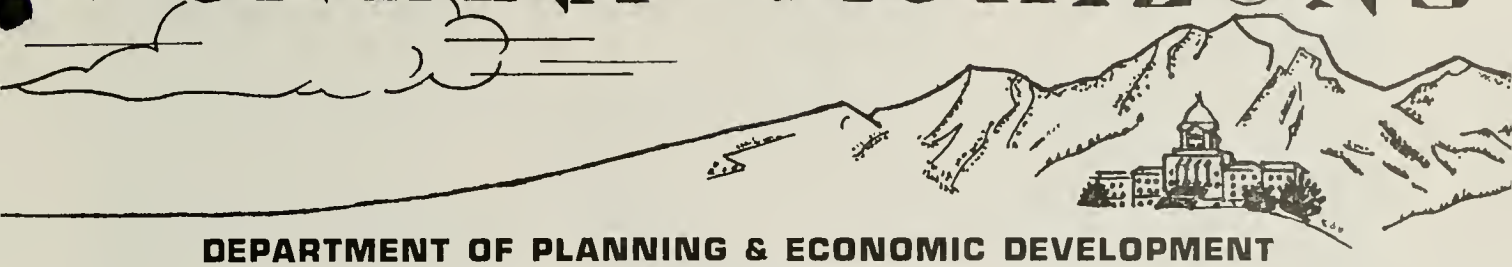

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

JUNE, 1968

Planning Activity On the Upswing

Arthur H. Hartenberger, chief, Planning division, has reported an increased interest in Urban Planning Assistance Grants (HUD) throughout the state.

About 30 city-county planning boards are in operation throughout Montana many of which have Urban Planning programs underway.

After many meetings during the past 4 months, Hartenberger has noted a spiraling enthusiasm in all areas.

"It looks like there may be 10 new planning commissions operating by the end of this summer," he said.

The Department of Planning and Economic Development, which administers the HUD "701" funds, has indicated to HUD that Urban Planning Assistance Grants may require over $500,000 for the 1968-69 fiscal year, and could easily increase to three-quarters of a million by 1970.

This would indicate the desire and the need for planning in Montana.

A New Industry Takes the Mill To the Forest

Lester Hutton & Son Logging and Lumber Co., operates in Teton County in the Lewis and Clark National Forest.

Unique in the operation is the fact that Hutton's operations include setting up a portable sawmill within the area they are working, and turn out thousands of 2 x 4's weekly.

This operation minimizes waste and reduces hauling. Logs are skidded directly from the stump to the mill. This allows Hutton to use small logs that would ordinarily be wasted. Moveover, the sawdust, slabs and edgings are left in the woods, which reduces transportation costs.

The owner, Lester Hutton and his son Lewis, employ 8 persons in their operation.

"Zoning . . . An Art"

By Arthur H. Hartenberger

Zoning is, basically, the regulation of the use of land. It should be viewed as a regulatory device, aimed primarily at guiding the growth of the community according to the best plan possible.

In any community, the comprehensive general plan should serve as a glide for new zoning and careful rezoning of the city in coming years by designating certain areas for specific uses.

All land uses should be studied with a view toward protecting them with proper zoning in relation to the general plan. In addition, it provides for an up-to-date method for guiding development into the proper locations and for assuring the highest quality of development.

Existing, or present, zoning usually continues in effect until such time that it is legally amended. Such changes should come about only through investigation, analysis, public hearings and legal determination. This due process will certainly involve time and effort but such care will prevent hasty changes and will allow for detailed consideration of individual cases. This is mandatory if zoning is really to be understood and accepted. A zoning ordinance consists of two distinct parts; the zoning district map and a written text.

The zoning text sets forth the purpose, the schedule of district regulation, explains the uses permitted (single family residence, central business and others), prescribes certain standards for each district and deals with the administration and procedural aspects of the ordinance.

The district map will show the boundaries of the various zoning district classifications deemed desirable and is adopted by reference, making it an integral part of the zoning ordinance. As amendments to the zoning ordinance are adopted, the district map should be changed accordingly.

After thorough study of available land use data the planning commission determines the various zoning

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Recreation Planner Added

Bernard "Gary" Johnson, of St. Cloud, Minnesota, joins the department on July 1 as a Recreation Planner.

The commissioners, realizing the accelerating need for planning, called for applicants. Johnson was selected from a list of more than 10 who expressed interest in the position. He was interviewed by the commission at their May meeting.

Gary, 28, recently received his B.A. in Geography from St. Cloud State College, and will work in the Planning Division on projects involving recreation research, urban and rural problems, and economic development.

Planners Meet

Governor Tim Babcock met in Helena recently with about 75 city planners, members of city-county planning boards and planning consultants. Purpose of the conclave was to bring the Executive Committee for Planning Coordination up-to-date on planning activity throughout the state.

The Governor recommended to the State Planning and Economic Development commission that an 8-man steering committee be formed from among the members of the Executive committee, to closely advise him on planning matters in Montana.

The commission approved the following steering committee members:

Lewis Chittim, Montana Highway Department; Everett Darlinton, Water Resource Board; Philip L. Kincheloe, Civil Defense Agency; Garreth Moon, Department of Forestry; John Wilson, Department of Health; Frank Dunkle, Department of Fish and Game; Arthur H. Hartenberger, Department of Planning, and Jack Hallowell, Federal-State Coordinator.

Future meetings will bring federal officials together with the governor and other state planning officials.

Communities of Tomorrow

The U.S.D.A. policy of fostering the move of industry into rural areas should be a help to Montana.

The policy statement of that agency indicates the aim of informing businessmen of the economic and personal benefits of locating new plants outside areas of congested traffic, impacted population, and high-cost commuting.

It encourages the development of facilities which stimulate industries to locate where there is space and need.

In an attempt to create jobs, public and private financial support should be developed.

The Department of Agriculture further expects to encourage federal agencies to locate new installations in rural areas, where feasible. In addition, they hope to encourage incentive plans that will induce new business and industry to locate in Communities of Tomorrow.

A file has been established in a special office in Washington, D. C. It contains industrial location information about most of the nation's smaller cities, towns, and countryside.

Industry may consult, in complete privacy, this file and review potential locations for a new plant. Upon request, arrangements will be made for followup by personal contact with State and local industrial development officials.

Communities wanting to be included in this file may submit prepared industrial development material to the Rural Industrialization program, Rrural Community Development service, U. S. Department of Agriculture, Washington D. C. 20250.

It is suggested by the Montana Department of Planning and Economic Development that copies be furnished to the state office, of all material submitted to the U.S.D.A. so that all attempts can be made to coordinate efforts of attracting industry to rural areas.

Feed Company Adds

Midland Feed Company of Billings has announced the purchase of the Roundup, Joliet and Musselshell elevators, according to Mr. Walters, manager.

Planned expansion includes new rolling and mixing equipment and bulk fertilizer facilities.

Quotes From Industrial Conference

The Governor's 2nd annual Industrial Conference, held in April in Great Falls, produced some interesting thoughts, brought out by erudite speakers.

Some of them are shared with our readers.

Governor Babcock

"Development of industry in Montana will spur our economic growth through such things as the creation of new jobs . . . and all this is brought with it . . . payrolls, more money to be spent on Main Street . . . more tax dollars from both individuals and corporations . . . in some cases it can mean a substantial increase in population, in others the reduction of those on our unemployment rolls. The benefits to be derived from increased industrial activity in Montana cannot be questioned."

Don Groen

Director Community/Membership Relations, Montana Chamber of Commerce: "You will soon be hearing a lot from us in the following areas as we work for a better Montana. We are ready to launch a new program on tax reform. We are ready to again help your chambers on Economic/Community Development programs. We have a committee looking at new ideas to finance the expansions needed at your airports as you prepare for the Jet Age that is here. We will turn out during the next session of the legislature the most comprehensive legislative digest and reporting service this state has ever seen."

Kenneth A. Blevins

President, Sirco Manufacturing Co., Missoula: "What is our export potential in Montana? It is tremendous, really. However, it requires some groundwork. First of all, I would recommend to the Governor to set aside some funds for a trade mission, select some of you gentlemen to go to Canada, spend a month, go to the Orient, go to South America or elsewhere. Find out what these people need. Find out the products that there is no trade barrier on and then come back to Montana and say. 'Now, they need this and that and our trade position is pretty good on these things.' Particularly, in Canada, we have a long expanse of border.

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L.B.J. Speaks on Urban Problems

Based on intense study by Housing and Urban Development (HUD) and the Department of Transportation, President Johnson has recommended to congress a transfer of some functions of HUD to the latter department. The shift of responsibility would apply to the major urban transit grant, loan, and related research. This move would give the DOT primary federal responsibility for research and innovative transportation technology. HUD would retain leadership in comprehensive planning at the local level, including transportation planning and its relation to other urban development.

The President proposed, in his message to congress, other transportation measures which would increase grants from $140 million to $190 million, and would give the cities $230 million for fiscal 1970.

President Johnson urged Congress to adopt the Housing and Development Act of 1968, which relies heavily on the responsibility of private investors in alleviating the problems of our nation's cities. The real job belongs to local government and the private sector . . . the homebuilder, mortgage banker, contractor and industrialist.

Community Benefits From New Jobs

The entire community benefits from new jobs, according to statistics from the U. S. Chamber of Commerce, in an article appearing in the new newsletter of the Cooperative Extension Service, Montana State University.

The article states that 100 new workers in a community would mean: 296 more people, 112 more households, 51 more children, $270,000 additional bank deposits, $590,000 more personal income annually, 107 more passenger cars registered, 4 additional retail establishments, and 174 more workers employed.

Further, the article said, increase in retail sales would total $360,000 as follows: Grocery stores, $70,000; Eating and Drinking places, $30,000; Department, dry goods and variety stores, $45,000; Clothing and shoe stores, $25,000; Automobile dealers, $50,000; Gasoline service stations, $20,000; Lumber yards and building material dealers, $15,000, and other stores $105,000.

QUOTES FROM

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We have direct trucking connections with Regina where there are warehouse, facilities, etc. With preparation to open this large potential, Montana ought to be one of the biggest states in Canadian export business."

Paul W. Scott

Western Director Real Estate and Industrial Development, The Milwaukee Road, Seattle: "What does industry look for in a community? The most important elements can be generally classified into about 12 major considerations: Markets, labor, transportation and raw materials. These 4 are quite vital. The other 8 factors, all having a greater or lessor influence on locations, include: developed sites, adequate utilities, local and state tax climate, good living conditions, planning and zoning, suitable buildings, weather and special inducements."

Maxine Wood

Area Counsel, Small Business Administration, Denver: "A State Development Company is primarily designed to fill a gap in the credit needs of business . . . to fill a gap in credit available from other sources—for longer terms and greater amounts than otherwise available. The economy of the entire state can be aided by the development company by: 1. providing new jobs, 2. financing improvements in real estate, 3. by providing facilities to increase production or services."

W. C. Fowler

Supervisory Loan Officer Economic Development Program, Small Business Administration, Denver: "I have been profoundly impressed by the tremendous industrial potential of Montana. I would sincerely say that the serious out-migration trend from small towns to other states must be reversed at all cost. Montana cannot afford to continue to lose its most valuable resource—its educated young people moving out of the state."

Arthur E. Stauber

Stauber & Associates, Agricultural Industrial Planners, Billings: "Agricultural Industrial Development is like throwing a stone into a quiet pool of water. The circles keep getting wider and wider until it reaches the shore. Montana has the raw material, the West Coast has the markets, and all that is needed is 'want to'."

William Fountain, Jr.

Industrial Development Counselor, Arkansas Power and Light Co., Little Rock, Arkansas: "I have spent a considerable amount of time in studying material involving the state of Montana. I find a very sound economic structure based on growth indices. This is an extremely confusing situation. Most of your effort and organization apparently is based on the governmental level. In short, it appears that you are depending on the State of Montana to do a job that should be initiated on the local level. The State's role is one of a partnership."

What Is M.I.R.B.L.?

Montana's Industrial Revenue Bond Law became reality when the 1965 Legislature passed H.B. 361. The bill permits Montana cities and counties to issue revenue bonds for the purchase of land, construction of buildings and securing machinery and equipment for a desirable industrial firm interested in establishing a plant in Montana.

To date this law has not been tested in Montana's courts, to determine its constitutionality. There have been several attempts of the Department of Planning and Economic Development to find an industry which will locate in the state and provide a vehicle for getting the issue before a judge. As yet, all attempts have not materialized. However, efforts are still underway to pursue this project, which now is stalemated by the Internal Revenue's attempt to declare such Revenue bonds as taxable.

The matter has been taken up by Congress, and the decision will soon be made as to the tax-exempt status of the bonds.

Meanwhile perhaps our readers would like to know, briefly, what Montana law provides. A Montana city or county may issue revenue bonds to finance industry, either new or for expansion.

This does not mean that the industry is exempt from paying taxes. In this respect it operates the same as any other industry.

The city or county does not have the power to operate any project as a business, except as the lessor, nor shall they have any power to acquire any such property by condemnation.

Bonds and interest coupons, issued under the authority of this law shall not constitute an obligation or liability of the city or county, or a charge against its general credit or taxing powers. They are backed by the credit of the company.

New Car School

Montana Auto College, 800 Central Avenue in Great Falls, is one of Montana's newer industries, expected to create 5 new jobs.

Darryl Meyer, President, expects to open this institution of learning on September 3 to enroll students in a complete course of auto mechanics.

Capacity of the school is 80 students, plus an additional 50 for short-term refresher courses. The full-time students will be provided a 10-month course including books, supplies, union initiation, tools, uniforms and tuition.

Qualified teachers, using factory-approved service manuals, will instruct in all phases of automotive repair and service.

Blackfeet Featured

"Blackfeet Country: Where Buffalo Roamed", is the title of a motion picture film made by VISTA volunteer Jim Ludwig of Rochester, N. Y.

The film, narrated by tribal Chairman Earl Old Person, shows the myths, history and handicrafts of the tribe, as well as their preparation for the future. The 67-acre industrial park is portrayed, along with the natural resources such as oil, gas, water, timber.

The Blackfeet nation hopes the film will tell the story of their desires to develop the industrial potentials of their 1,500,000 acre reservation.

"ZONING . . . AN ART"

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district classifications it considers necessary and desirable. As a general rule, smaller communities without zoning experience find it desirable to set up the first ordinance with relatively few zoning district classifications. This helps make the intent of the ordinance more understandable, which in turn makes it more acceptable and easier to enforce.

The whole purpose of land use planning regulation may be illustrated by an analogy. A house is arranged functionally to provide living areas, sleeping areas, eating areas, etc. In like manner, zoning divides the community into areas where the provision is made for certain functions, and other uses are excluded because they do not contribute to the primary function. This prevents nuisances, incompatible land uses, minimizes traffic congestion and makes it possible to plan public facilities such as sewers and other utilities, school playgrounds, etc., in a manner which will be reasonably related to the way the land will actually be used. In this way zoning

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Exporting . . . Good Business

According to Lawrence C. McQuade, Assistant Secretary for Domestic and International Business, U. S. Department of Comerce, has stated that U. S. Exports are continuing at record levels. This reflects the desire of people in foreign countries to buy products from the United States. This desire has been brought about by the diverse supply of our manufacturers.

Montana manufacturers have an opportunity to enter the Export market, with comparative ease, based on their experiences learned in the domestic market, and their business judgment.

To be successful in Exporting, one needs to evaluate the potential markets, and then be willing to make a long-term commitment, if necessary. Some adaptability to foreign techniques in marketing will be necessary.

One needs to learn about tariff and other barriers, financing, packing, labeling and shipping. These are different for exports than for domestic merchandising.

A new handbook has just been published by the U. S. Department of Commerce which is designed to help American manufacturers move successfully into exporting.

The "Introductory Guide to Exporting," describes the variety of Department services to help U. S. Firms find ,analyze and sell in foreign markets, and outlines the functions and responsibilities of Department bureaus and offices serving the businessman.

The 42 page book is available at 40c from the Superintendent of Documents, U. S. Government Printing Office, Washington D. C. 20402, or the U. S. Department of Commerce Field Office, 909 First Ave., Seattle, Washington 98104.

$500 Million Oil Reserves

According to Paul Husted, Editor, Miles City Star, 310 producing wells have been drilled in Bell Creek, Powder River County, in the past year. Reserves are estimated at 200 million barrels, worth more than half a billion dollars.

Husted wrote that the field has expanded to about 100 square miles, and that investments have amounted to more than $50 million in drilling costs, pipe lines, and equipment.

Last month the daily output averaged more than 50,000 barrels, and June is expected to be 60,000.

This year 200 exploratory wells are planned over entire Southeastern Montana and major oil companies are expanding their leaseholdings.

A $2.5 million gas processing plant is under construction at Bell Creek, a boom town bursting at the seams with growing pains.

Broadus, Husted said, seems to be getting the big impact of the influx of workers, and reports 900 new residents. These include oil workers, as well as those who work in other businesses such as retail establishments.

Miles City, too, has noted an increase of 70 new families this year attributable to the oil field activity.

No estimate of the number of new jobs is available, but it is obvious that the economy of the state has been bolstered considerably.

"Zoning . . . AN ART"

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doesn't just prohibit, but makes a positive contribution to community planning.

Once the zoning ordinance has been prepared and adopted, city officials, county commissioners and the public in general must support it if it is to be an effective instrument that will be of long-term benefit to the community.

Montana Mushrooms

An economic feasibility study has just been completed by T.A.P., Inc., for the U. S. Department of Commerce, Office of Technical Assistance.

The study deals with Mushroom production and processing in Roundup, Montana.

With a growing demand for fresh mushrooms, an evaluation of the feasibility of production and processing was made utilizing the abandoned coal mines near Roundup.

The idea that coal mines might be utilized for mushroom production was first investigated in the Roundup area by Mr. Glen Johnson in the late 1950's.

The early operation involved a growing of four or five crops.

In 1962, the Montana Mushroom Farm corporation was incorporated.

The Mushroom Mine is located approximately three miles northwest of Roundup, and contains about 20,000 square feet of floor space.

The market for fresh mushrooms looks especially bright. In Montana, retail outlets receive their supply from outside sources, and in many cases freshness has been lost in transit.

T.A.P., Inc., made the recommendation that the product mix be geared primarily to the fresh market, and secondarily to the canned market.

Based on the study, the incorporators hope to establish this industry as a future uplift to the economy of the area.

Incorporators are: Glenn Johnson, Wesley J. Goffena, and Emil R. Zimmerman, Jr., all of Roundup; Kenneth J. McKenzie and Jerome Kosovich of Billings, and Andrew I. Iverson of Winnett.

Montana Horizons

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Reports on business concerns appearing in this publication do not constitute an endorsement of either the concern named or its products. Statements in this newsletter do not reflect Board policy unless official action is reported.

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